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10 **IN THE UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF WASHINGTON**

11 UNITED STATES TRUSTEE

12 Plaintiff

13 v.

14 THOMAS MCAVITY, and NORTHWEST
15 DEBT RELIEF LAW FIRM,

16 Defendants

Misc. P. No. 20-00400-MJH

STIPULATED ORDER REQUIRING
THOMAS MCAVITY AND NORTHWEST
DEBTOR RELIEF LAW FIRM TO
REFUND ATTORNEY'S FEES, BARRING
DEFENDANTS FROM PRACTICE IN
WASHINGTON AND REQUIRING
DEFENDANTS TO ADD LANGUAGE TO
ADVERTISING MATERIAL

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19 Based upon the Stipulation by and between Gregory M. Garvin, Acting United States
20 Trustee for Region 18, and Thomas McAvity and Northwest Debt Relief Law Firm (the
21 "Stipulation"), the United States Trustee and Defendants stipulate to resolving the above-entitled
22 Miscellaneous Proceeding, regarding Defendants' conduct in the case of Pablo Ulibarri, filed
23 under case number 20-40048-MJH; April Ross, filed under case number 20-40064-MJH; Jonathan
24

ORDER

Office of the United States Trustee
700 Stewart St., Suite 5103
Seattle, WA 98101-1271
Phone: 206-553-2000,
Fax: 206-553-2566

1 Atalig, filed under case number 20-40145-MJH; Lori Cary, filed under case number 19-14667-
2 MLB; and Jeffrey and Misty Zimmerman, filed under case number 20-10082-CMA (collectively
3 the “Cases”) now, therefore,

4 IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

5 1. Within thirty (30) days from the date of the entry of this Order Defendants will issue a full
6 refund of all attorney’s fees collected in the Cases, whether such fees were collected pre-petition
7 or post-petition, and will cease the collection of any additional fees from such debtors. Defendants
8 will file a certification with the Court, signed under penalty of perjury, that the refunds have been
9 issued within fourteen (14) days of the refunds having been issued. Defendants will stop payment
10 on any check remaining unpaid after ninety (90) days and deposit such unpaid funds with the
11 registry of the United States Bankruptcy Court for the Western District of Washington. Within
12 fourteen (14) days of such deposit, Defendants will send notice to the person entitled to such funds,
13 at their last known address, that the funds have been deposited into the Court’s registry.

14 2. The Defendants shall seek to withdraw from all bankruptcy cases in which they are
15 currently on record as counsel in a bankruptcy case in the State of Washington within thirty (30)
16 days of the date that the Order is entered by the Court. The Defendants shall send notice to all
17 clients affected by the Order of the Defendants’ withdrawal and inform such clients that they
18 have the right to choose their own attorney and must consent to the substitution of any attorney
19 on their behalf.

20 3. Defendants must continue to represent existing clients for which they are attorney of
21 record in a bankruptcy case until a withdrawal and substitution has been filed under Local Rule
22 of Bankruptcy Procedure 2089-1(a); the Court has entered an *ex parte* order authorizing
23
24

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1 withdrawal under LBR 2089-1(b)(1); the Court has granted a motion to withdraw filed pursuant
2 to LBR 2089-1(b)(2); or the case is completed. Defendants will report to the United States
3 Trustee if they are unable to seek withdrawal, for any reason, from any bankruptcy case within
4 thirty (30) days of the date of this Order is entered by the Court.

5 4. Except as provided in paragraph 3 above, beginning the Date this Order is entered by the
6 Court for a period of seven (7) years (the Practice Bar), the Defendants, directly or indirectly and
7 individually or through any other corporation or entity, shall not accept or represent consumer
8 bankruptcy debtors or render services in connection with bankruptcy cases or matters brought in,
9 or pending before, or for which proper venue would be the United States Bankruptcy Court for
10 the Western District of Washington or the United States Bankruptcy Court for the Eastern
11 District of Washington, including the preparation and filing of bankruptcy petitions. After the
12 Practice Bar has elapsed, the Defendants may petition this Court for reentry to practice
13 bankruptcy in the State of Washington.

15 5. The Defendants shall not solicit or advertise the firm's provision of bankruptcy related
16 services or seek to be retained in connection with contemplated or pending bankruptcy filings
17 before the United States Bankruptcy Court for the Western District of Washington or the United
18 States Bankruptcy Court for the Eastern District of Washington during the Practice Bar and until
19 a petition for reentry to practice has been granted by this Court. The Defendants further shall not
20 accept any fees or payments in any form from any individual for whom proper venue for a
21 bankruptcy filing is the Western District of Washington or the Eastern District of Washington.
22 In the event an assisted person has a change in circumstances that results in venue being proper
23

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1 in the Western or Eastern District of Washington, the Defendants shall notify the client that it is
2 unable to serve the client, and that client shall be refunded all fees.

3 6. During the Practice Bar, the Defendants shall include a conspicuous statement on the
4 Websites disclosing that they do not provide bankruptcy related services to, or file bankruptcy
5 cases on behalf of, clients for whom proper venue for a bankruptcy filing is the United States
6 Bankruptcy Court for the Western District of Washington or the United States Bankruptcy Court
7 for the Eastern District of Washington.

8 7. This Order settles all matters raised in the Complaint. Nothing in this Order or the
9 Stipulation affects:
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11 a) Matters in any jurisdiction outside of the Western District of Washington.

12 b) The United States Trustee's duties under the Bankruptcy Code or the Federal Rules of
13 Bankruptcy Procedure, nor the United States Trustee's ability to refer Defendants' conduct
14 to the relevant state bar, the United States Attorney, or other state or federal government
15 agency.

16 c) The United States Trustee's ability to take any other action not based on 11 U.S.C. §§ 527
17 and 528, that arose prior to the date of this stipulation in the Western District of Washington
18 he deems appropriate in any other bankruptcy case.

19 d) The United States Trustee's ability to take any action on any of the Cases that the United
20 States Trustee deems appropriate to the extent such action is not related to the conduct and
21 deficiencies summarized in the Stipulation.
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23 8. The Stipulation and the Order have no effect on the rights of Defendants' clients,
24 bankruptcy trustees, creditors, or other parties in interest.

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1 9. Nothing in the Stipulation or this Order alter, limit, or affect the Defendants' existing or
2 future obligations under the Washington Rules of Professional Conduct, the Bankruptcy Code, the
3 Federal Rules of Bankruptcy Procedure, and Local Bankruptcy Rules, or any other order of this
4 Court or any other court.

5 10. This Order does not affect the ability of Mark Ditton to practice bankruptcy law in the state
6 of Washington.

7 11. This Order does not affect Defendants' rights to collect any fees in a chapter 13 case filed
8 prior to the entry of this Order for work done prior to the entry of this Order. Fees for work
9 performed in a chapter 13 case after the entry of this Order should be paid to the attorney or firm
10 that performed such services.

11 12. The United States Trustee will be responsible for notifying the relevant parties identified
12 in this Order.

13 13. The Clerk of the United States Bankruptcy Court for the Western District of Washington
14 shall close all CM-ECF accounts registered to Thomas McAvity after March 31, 2022¹.

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24 ¹ The accounts to be closed include Thomas McAvity, Ovation Law, LLC; Thomas McAvity, Upright Law; Thomas McAvity, Thomas McAvity, LLC; and Thomas McAvity, Hinds Law, LLC.

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14. The Court shall retain exclusive jurisdiction to enforce the terms of the Stipulation and this Order as well as to hear and adjudicate any motion for their enforcement or contempt of the Order as well as to hear and adjudicate any petition for reentry filed by Defendants pursuant to paragraph four (4), above.

Presented By:

Thomas McAvity, WSBA #35197
Defendant

Northwest Debt Relief Law Firm, by
Thomas McAvity, WSBA #35197
Defendant

Gregory M. Garvin
Acting U.S. Trustee for Region 18

/s/ Matthew J.P. Johnson
Matthew J.P. Johnson, WSBA #40476
Attorney for the United States Trustee

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